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Peru

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ISRAEL-LEBANON: Cabinet Meeting

Sunday.

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| 25X1 | The Israeli cabinet decision to withdraw Israeli forces from southern Lebanon by 13 June appears to be the result of satisfactory talks on the future of Christian enclaves between officials of the UN Interim Forces in Lebanon and Lebanese Christian commander Haddad. |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 25X1 | Haddad, Israel's ally against Palestinians in the south, met with UN officials on 18 May at Israeli urging, according to a seemingly authoritative account in the Jerusalem Post. The outcome was an apparent pledge by the UN force not to interfere with the "Good Fence" program, which allows crossborder movement between Israel and the Christian enclaves. Maintaining this contact is a major Christian and Israeli concern. |
| 25X1 | The UN also apparently accepted Haddad's force as representing the Lebanese Government. Although Beirut has had no control over Haddad for some time and may not officially sanction this arrangement, the agreement relieves the UN of its technical obligation to disarm Haddad's forces. It also allows the UN to argue that it has moved to restore Lebanese sovereignty in the south in keeping with UNIFIL's mandate. |
| 25X1 | According to the <i>Post</i> , Israel Defense Force officials are "satisfied beyond their expectations" that UNIFIL seriously intends to prevent the infiltration of armed Palestinians into |

Despite the *Post's* assertion, the Israelis have strong doubts about UNIFIL performance. The Israelis will not hesitate to reenter Lebanon if infiltration of large numbers of armed Palestinians occurs or if the Christian enclaves come under attack from Palestinians and leftists.

the area and could if necessary protect the Christians after the withdrawal of the Israeli Defense Force. A Norwegian unit is reported to have clashed with Palestinian infiltrators on By setting a date for withdrawal, however, Israel has relieved considerable diplomatic pressure and has improved the chances for resuming direct peace negotiations with Egypt. It is virtually impossible for President Sadat to justify to his people the resumption of peace talks as long as Israeli forces remain in Lebanon.

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EGYPT: Referendum Results

25X1 Egypt's voters predictably answered "yes" yesterday to President Sadat's proposal to "purify" Egypt's political life. The voting on his referendum containing six principles governing political behavior was not marred by violence. The main question remaining is how harshly Sadat will apply his mandate.

The outcome was never in doubt, only the margin of approval. More sophisticated Egyptians will regard the near unanimous approval with skepticism, particularly in light of the smashing victory by the government's candidate in the hotly contested parliamentary by-election in Alexandria on 17 May. The left candidate received only a handful of votes, although attendance at political rallies and political activity indicated a much closer election.

Many see the heavy hand of Prime Minister Salim both in the by-election and in Sadat's decision to clean house. A left party parliamentarian and 19 others were arrested during the campaigning in Alexandria for distributing pamphlets attacking the government. Just before the referendum, the secretary to left party leader Khalid Muhyi al-Din was arrested for distributing leaflets criticizing the vote; security officials, and Sadat himself, see a Soviet hand in such agitation, and this alleged foreign connection is the basis for their attack on the left.

Sadat's more narrow assault on rightist leader Siraj

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| | itselfstems from their personal challenge to Sadat's political preeminence and their questioning of the honesty of his family and closest confidants. |
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| 25X1 | It is not likely that Sadat will carry out a broad and sustained shakeup of the political system at this time. Government spokesmen have been quick to deny that the referendum represents any fundamental retreat from "political liberalization." After removing specific targets among his critics, Sadat will probably rely more on the threat of his new laws than on their application to keep opponents in line. This was the pattern of his response to the urban riots in January 1977. |
| 25X1 | Leftist and Wafd leaders could, of course, still attempt to derail Sadat's plans by provoking a confrontation. Their ability to do so will depend on whether they make common cause in the name of protecting democracy in Egypt and whether they successfully link their cause to the innumerable economic and social grievances of Egypt's urban masses. |
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BRIEF

| | Peru | | | |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--|--|
| 25X1 | //Violence in Peru subsided over the weekend, but tension is rising over a nationwide general strike set for today and Tuesday. The armed forces are on full alert against the possibility of renewed outbreaks.// | | | |
| 25X1 | //President Morales Bermudez appealed to the nation Saturday night for understanding of the need for austerity and sacrifice. The President did not refer to the strike, although he alluded clearly to the economic difficulties that have prompted it. He also warned extremists and charged that they had orchestrated the disorders in which 12 persons reportedly have been killed and 47 injured.// | | | |
| 25X1 25X1 | //The announcement by a moderate trade union linked to popular political leader Haya de la Torre that it will observe two days of mourning is likely to broaden support for the strike. Although public order has been maintained in Lima, leftist agitators are likely to incite disturbances there as well as in the interior when the shutdown begins today. | 25X | | |

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